

Message Text

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ACTION EB-07

INFO OCT-01 AF-10 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 EPG-02 FAA-00

AID-05 TRSE-00 OMB-01 L-03 PA-01 USIA-06 PRS-01

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FM AMEMBASSY OUAGADOUGOU

TO SECSTATE WASHDC PRIORITY 4226

INFO AMEMBASSY ABIDJAN

AMEMBASSY BAMAKO

AMEMBASSY DAKAR

AMEMBASSY LAGOS

AMEMBASSY LONDON

AMEMBASSY N

AMEMBASSY NIAMEY

AMEMBASSY PARIS

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E.O. 11652: N/A

TAGS: BEXP, EAIR, UV

SUBJECT: VOLTAN GOVERNMENT RENOUNCES AGREEMENT WITH PAN
AFRICAN AIR INDUSTRIES (PAAI)

REF: OUAGADOUGOU 2231 (NOTAL)

1. IN A CABINET MEETING JUNE 16 THE VOLTAN GOVERNMENT
DECIDED NOT TO IMPLEMENT THE AGREEMENT WITH PAN
AFRICAN AIR INDUSTRIES (PAAI). THE PREVIOUS DAY WE
HAD RECEIVED A LETTER FROM PRESIDENT LAMIZANA TURNING
DOWN THE PAAI REQUEST TO MAKE A DEMONSTRATION FLIGHT,
ON THE GROUNDS THAT THE ARRANGEMENTS BETWEEN PAAI AND
THE GOUV WERE NOT YET AGREED UPON.

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2. THE OFFICIAL SUMMARY OF THE CABINET MEETING GAVE AS
REASONS FOR THE NEGATIVE DECISION: (1) THE
REQUEST BY PAAI FOR A VOLTAN GOVERNMENT GUARANTEE OF
A \$15 MILLION LOAN FROM THE ARAB DEVELOPMENT BANK
(BADEA) MADE THE PROJECT UNINTERESTING TO THE
GOVERNMENT, AND (2) ALL THE OTHER CILSS COUNTRIES THAT
RECEIVED THE SAME PAAI OFFER HAVE REFUSED IT.

3. THESE REASONS HAVE A CONTRIVED SOUND FOR THOSE WHO HAVE FOLLOWED THE PROJECT. THE \$15 MILLION LOAN FROM BADEA WAS AN ACTIVE IDEA SIX MONTHS AGO, BUT NOT NOW. THE PAAI PROJECT COULD HAVE PROCEEDED WITHOUT THE LOAN GUARANTEE; THE AMBASSADOR ACTUALLY PROPOSED THIS IDEA IN CONVERSATIONS WITH SEVERAL MINISTERS IN APRIL/MAY. THE SECOND POINT IS EVEN FARTHER FROM THE MARK. ONLY CHAD HAS TURNED DOWN A PAAI PROPOSAL (ABOUT A YEAR AND A HALF AGO), BUT MORE RECENTLY HAS SAID IT WAS INTERESTED AGAIN. PAAI TOLD US THAT MALI, NIGER AND SENEGAL ALSO WERE POSITIVELY INTERESTED.

4. BASICALLY WE THINK IT WAS FRENCH LOBBYING (PARTICULARLY UTA) THAT BROUGHT ABOUT THE NEGATIVE DECISION. ALSO THERE WERE SOME LINGERING DOUBTS ABOUT THE PROJECT STEMMING FROM THE \$15 MILLION LOAN GUARANTEE REQUEST. AND FINALLY, THE FACT THAT PAAI AMERICAN REPS LEFT OUAGADOUGOU THREE MONTHS AGO AND HAVE NOT RETURNED PROBABLY EMBOLDENED THE OPPONENTS AND DIMINISHED THE ENTHUSIASM OF THE PROPONENTS IN THE CABINET.

5. SOUMANA TRAORE, HEAD OF SAED, A RESEARCH AND CONSULTING FIRM TOLD US AFTER THE CABINET DECISION THAT HE AND THE OTHER MAIN VOLTAN BACKERS OF LIMITED OFFICIAL USE

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PAAI, EX MINISTER OF RURAL DEVELOPMENT SANON, WANT TO GO AHEAD AND SET UP A PRIVATE COMPANY FOR PRODUCTION OF AGRICULTURAL PRODUCTS WHICH THEY WOULD LIKE TO EXPORT VIA PAAI OPERATING AS A PRIVATE TRANSPORTATION COMPANY. THEY WOULD LIKE TO GET STARTED ON A MODEST SCALE THIS QYEAR AND HAVE A FEW EXPORT FLIGHTS. THIS WOULD SHOW THOSE WATCHING FROM THE SIDELINES THAT THE IDEA WAS STILL VIABLE, ACCORDING TO TRAORE, AND THAT NEXT YEAR THINGS COULD BE EXPANDED TO A LARGER SCALE. AND PERHAPS THEN THE PRESUMED NEW CIVILIAN GOVERNMENT MIGHT AGREE TO SOME KIND OF GOVERNMENT PARTICIPATION TO EXPAND PRODUCTION EVEN MORE (IT WAS THE MILITARY MEMBERS OF THE CABINET WHO OPPOSED THE PROJECT.)

6. PLEASE TELL ROBERTSON THAT WE ARE SORRY THAT THIS BATTLE HAS BEEN LOST, BUT THAT IF PAAI WANTS TO PURSUE ANOTHER AVENUE, SUCH AS SUGGESTED BY TRAORE AND SANON, WE WILL GIVE PAAI, AS AN AMERICAN COMPANY, AS MUCH FACILITATIVE SUPPORT AS POSSIBLE.
BIGELOW

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